



OVERSIGHT AND
COMPLIANCE

OFFICE OF THE DEPUTY CHIEF MANAGEMENT OFFICER
9010 DEFENSE PENTAGON
WASHINGTON, DC 20301-9010

MEMORANDUM FOR COMMITTEE MANAGEMENT SECRETARIAT, GENERAL
SERVICES ADMINISTRATION

SUBJECT: Charter Renewal and Membership Balance Plan Consultation – Department of
Defense Board of Actuaries

The Department of Defense, pursuant to the Federal Advisory Committee Act of 1972, as amended, intends to renew the charter for the Department of Defense Board of Actuaries (“the Board”) (attached). The Board will operate under the provisions of the Federal Advisory Committee Act of 1972 (5 U.S.C., Appendix, as amended) and in accordance with 41 C.F.R. § 102-3.50.

Prior to filing the Board’s charter with the Library of Congress and the appropriate congressional committees the Department of Defense respectfully requests that the Committee Management Secretariat review and approve the proposed charter and membership balance plan (attached). Both documents has been reviewed and approved by the Office of the General Counsel for the Department of Defense.

If you should have any questions about this charter please contact my point of contact, Len O’Reilly, at 703-692-5949.

FREEMAN.J
AMES.D.II.1
043158844

Digitally signed by
FREEMAN.JAMES.D.II.1043158844
DN: c=US, o=U.S. Government,
ou=DoD, ou=PKI, ou=OSD,
cn=FREEMAN.JAMES.D.II.1043158
844
Date: 2016.05.23 11:23:53 -0400

James D. Freeman II
Advisory Committee Management
Officer for the Department of Defense

Attachments
As stated

Charter
Department of Defense Board of Actuaries

1. Board's Official Designation: The committee will be known as the Department of Defense Board of Actuaries ("the Board").
2. Authority: The Secretary of Defense, pursuant to 10 U.S.C. 183(a) and in accordance with the Federal Advisory Committee Act (FACA) of 1972 (5 U.S.C., Appendix, as amended) and 41 C.F.R. § 102-3.50(a), established this statutory Board.
3. Objectives and Scope of Activities: The Board, through the Office of the Under Secretary of Defense for Personnel and Readiness (USD(P&R)), shall provide independent advice and recommendations on matters relating to the Department of Defense (DoD) Military Retirement Fund, the DoD Education Benefits Fund, the DoD Voluntary Separation Incentive Fund, and such other funds as the Secretary of Defense shall specify.
4. Description of Duties: The Board shall submit to the Secretary of Defense on an annual basis a report on the actuarial status of each of the following funds and, in doing so, shall:
 - a. Review valuations of the DoD Military Retirement Fund, in accordance with 10 U.S.C § 1465(c), and submit to the President and Congress, not less often than once every four years, a report on the status of that Fund, including such recommendations for modifications to the funding or amortization of that Fund as the Board considers appropriate and necessary to maintain that Fund on a sound actuarial basis;
 - b. Review valuations of the DoD Education Benefits Fund, in accordance with 10 U.S.C. § 2006(e), and make recommendations to the President and Congress on such modifications to the funding or amortization of that Fund as the Board considers appropriate to maintain that Fund on a sound actuarial basis;
 - c. Review valuations of the DoD Voluntary Separation Incentive Fund and make recommendations to the President and Congress on such modifications to the funding or amortization of that Fund as the Board considers appropriate to maintain that Fund on a sound actuarial basis;
 - d. Review valuations of such other funds as the Secretary of Defense shall specify for purposes of 10 U.S.C. § 183 and make recommendations to the President and Congress on such modifications to the funding or amortization of such funds as the Board considers appropriate to maintain such funds on a sound actuarial basis; and
 - e. Furnish advice and opinions on matters referred to the Board by the Secretary of Defense.

Charter
Department of Defense Board of Actuaries

The Secretary of Defense shall ensure that the Board has access to such records regarding the DoD Military Retirement Fund, the DoD Education Benefits Fund, the DoD Voluntary Separation Fund, and such other funds specified by the Secretary of Defense for purposes of 10 U.S.C. § 183 as the Board shall require to determine the actuarial status of such funds.

5. Agency or Official to Whom the Board Reports: The Board reports to the Secretary of Defense and/or the Deputy Secretary of Defense through the Office of the USD(P&R). The USD(P&R), pursuant to Department of Defense (DoD) policy, may act upon the Board's advice and recommendations.
6. Support: The DoD, through the Office of the USD(P&R), shall support the Board and shall ensure compliance with requirements of the FACA, the Government in the Sunshine Act of 1976 (5 U.S.C. § 552b, as amended) ("the Sunshine Act"), governing Federal statutes and regulations, and established DoD policies and procedures.
7. Estimated Annual Operating Costs and Staff Years: The estimated annual operating cost, to include travel, meetings, and contract support, is approximately \$107,000.00. The estimated annual personnel cost to the DoD is 0.6 full-time equivalents.
8. Designated Federal Officer: The Board's Designated Federal Officer (DFO), pursuant to DoD policy, shall be a full-time or permanent part-time DoD officer or employee, designated in accordance with established DoD policies and procedures.

The Board's DFO is required to be in attendance at all meetings of the Board and any subcommittees for the entire duration of each and every meeting. However, in the absence of the Board's DFO, a properly approved Alternate DFO duly designated to the Board according to established DoD policies and procedures, must attend the entire duration of all of the Board or subcommittee meetings.

The DFO, or the Alternate DFO, calls all Board and subcommittee meetings; prepares and approves all meeting agendas; and adjourns any meeting when the DFO, or the Alternate DFO, determines adjournment to be in the public interest or required by governing regulations or DoD policies and procedures.

9. Estimated Number and Frequency of Meetings: The Board meets at the call of the Board's DFO, in consultation with the Board's Chair. The estimated number of Board meetings is one per year.
10. Duration: The need for this advisory function is on a continuing basis; however, this charter is subject to renewal every two years.
11. Termination: The Board shall terminate upon rescission of 10 U.S.C. § 183.

Charter
Department of Defense Board of Actuaries

12. Membership and Designation: The Board shall be comprised of three members who are appointed by the Secretary of Defense or the Deputy Secretary of Defense from among qualified professional actuaries who are members of the Society of Actuaries.

Board members shall serve a term of 15 years, except that a Board member appointed to fill a vacancy occurring before the end of the term for which the member's predecessor was appointed shall only serve until the end of such term. A Board member may serve after the end of the member's term until a successor has taken the oath of office. The Board membership appointments are staggered so that a new member is appointed every five years. A Board member may be removed by the Secretary of Defense only for misconduct or failure to perform functions vested in the Board. Board members are not subject to annual renewals.

The appointment of Board members will be authorized by the Secretary of Defense or the Deputy Secretary of Defense and administratively certified by the USD(P&R), as the Sponsor, in accordance with DoD policies and procedures. Members of the Board who are not full-time or permanent part-time Federal officers or employees will be appointed as experts or consultants pursuant to 5 U.S.C. § 3109 to serve as special government employee members. Board members who are full-time or permanent part-time Federal officers or employees will be appointed pursuant to 41 C.F.R. § 102-3.130(a) to serve as regular government employee members. A member of the Board who is not an employee of the United States is entitled to receive pay at the daily equivalent of the annual rate of basic pay of the highest rate of basic pay under the General Schedule of subchapter III of chapter 53 of title 5, for each day the member is engaged in the performance of duties vested in the Board. No member, unless authorized by the Secretary of Defense, may serve on more than two DoD federal advisory committees at one time. All members are entitled to reimbursement for official Board-related travel and per diem.

Consistent with Deputy Secretary of Defense policy, the USD(P&R) may appoint the Board's Chair from among the membership previously authorized by the Secretary of Defense or Deputy Secretary of Defense and in doing so, shall determine the term of service for the Board's Chair, which shall not exceed the member's approved term of service.

The DoD shall provide non-voting technical advisors to assist the Board in the execution of its duties. The following individuals shall designate one DoD employee for each fund under the Board's purview (the DoD Military Retirement Fund, the DoD Education Benefits Fund, the DoD Voluntary Separation Incentive Fund and such other funds specified by the Secretary of Defense for purposes of 10 U.S.C. § 183) to serve as a non-voting advisor to assist the Board:

- a. Under Secretary of Defense (Comptroller)/Chief Financial Officer, Department of Defense;

Charter
Department of Defense Board of Actuaries

- b. Assistant Secretary of Defense for Manpower and Reserve Affairs, through the Deputy Assistant Secretary of Defense for Military Personnel Policy;
- c. General Counsel of the Department of Defense.

In addition, the DoD Chief Actuary shall serve as a non-voting advisor and the Executive Secretary for the Board.

All members of the Board are appointed to provide advice on the basis of their best judgment without representing any particular points of view and in a manner that is free from conflict of interest.

- 13. Subcommittees: The DoD has determined that subcommittees will not be authorized for this Board.
- 14. Recordkeeping: The records of the Board and its subcommittees shall be handled in accordance with General Records Schedule 6.2, Federal Advisory Committee Records, or other approved agency records disposition schedule, as well as the appropriate DoD policies and procedures. These records will be available for public inspection and copying, subject to the Freedom of Information Act of 1966 (5 U.S.C. § 552, as amended).
- 15. Filing Date:

Membership Balance Plan
Department of Defense Board of Actuaries

Agency: Department of Defense (DoD)

1. Authority: The Secretary of Defense, pursuant to 10 U.S.C. § 183 and in accordance with the Federal Advisory Committee Act (FACA) of 1972 (5 U.S.C., Appendix, as amended) and 41 C.F.R. § 102-3.50(a), established the Department of Defense Board of Actuaries ("the Board") as a statutory advisory committee.
2. Mission/Function: The Board shall provide the Secretary of Defense and the Deputy Secretary of Defense, through the Under Secretary of Defense for Personnel and Readiness (USD(P&R)), independent advice and recommendations, through the submission of an annual report, on matters, to include the actuarial status, relating to the DoD Military Retirement Fund, the DoD Education Benefits Fund, the DoD Voluntary Separation Incentive Fund, and such other funds as the Secretary of Defense shall specify and, in doing so, shall:
 - a. Review valuations of the DoD Military Retirement Fund, in accordance with 10 U.S.C. § 1465(c), and submit to the President and Congress, not less often than once every four years, a report on the status of that Fund, including such recommendations for modifications to the funding or amortization of that Fund as the Board considers appropriate and necessary to maintain that Fund on a sound actuarial basis;
 - b. Review valuations of the DoD Education Benefits Fund, in accordance with 10 U.S.C. § 2006(e), and make recommendations to the President and Congress on such modifications to the funding or amortization of that Fund as the Board considers appropriate to maintain that Fund on a sound actuarial basis;
 - c. Review valuations of the DoD Voluntary Separation Incentive Fund and make recommendations to the President and Congress, on such modifications to the funding or amortization of that Fund as the Board considers appropriate to maintain that Fund on a sound actuarial basis;
 - d. Review valuations of such other funds as the Secretary of Defense shall specify for purposes of 10 U.S.C. § 183 and make recommendations to the President and Congress on such modifications to the funding or amortization of such funds as the Board considers appropriate to maintain such funds on a sound actuarial basis; and
 - e. Furnish advice and opinions on matters referred to the Board by the Secretary of Defense.
3. Points of View: The Board shall be comprised three members chosen from among qualified professional actuaries who are members of the Society of Actuaries.

Board members, who are not full-time or permanent part-time Federal officers or employees, shall be appointed as experts or consultants pursuant to 5 U.S.C. § 3109 to serve as special government employee members. Board members who are full-time or permanent part-time Federal officers or employees will be appointed pursuant to 41 C.F.R. § 102-3.130(a) to serve as regular government employee members.

Membership Balance Plan
Department of Defense Board of Actuaries

The DoD, in selecting potential candidates for the Board, reviews the educational and professional credentials of individuals and bases its selection on this review and the subject matters being handled by the Board. The DoD has found that viewing the complex issues facing the DoD through a multidisciplinary advisory committee, provides the DoD and, more importantly, the American public with a broader understanding of the issues on which subsequent policy decisions are based.

The Board's membership balance is not static, and the Secretary of Defense or the Secretary of Defense may change the membership based upon work assigned to the Board by the Secretary of Defense, the Deputy Secretary of Defense, or the USD(P&R), as the Sponsor. The DoD, unless otherwise provided for by an Act of Congress or Presidential directive, does not use representative members on DoD-established or supported advisory committees.

Each member, based upon his or her individual and professional experience, provides his or her best judgment on the matters before him or her and does so without representing any particular point of view and in a manner that is free from conflict of interest.

4. Other Balance Factors: NA
5. Candidate Identification Process: The DoD, in selecting potential candidates for the Board, reviews the educational and professional credentials of individuals from among qualified professional actuaries who are members of the Society of Actuaries.

Potential members are identified through the USD(P&R) requesting recommendations from senior career and political officials within the DoD, former and existing Board members, and the American Academy of Actuaries.

Once potential candidates are identified, the Designated Federal Officer reviews the credentials of each individual and narrows the list of candidates. During the USD(P&R's) review, he or she strives to achieve a balance between the professional credentials of the individuals and the near-term subject matter to be reviewed by the Board.

After the list of candidates has been narrowed, it is forwarded to the USD(P&R) for review and formal nomination to the Secretary of Defense or the Deputy Secretary of Defense. Prior to nominating the potential candidates, the list will undergo a review by the Office of the General Counsel for the Department of Defense and the Office of the Advisory Committee Management Officer to ensure compliance with Federal and DoD governance requirements, including compliance with the Board's statute, charter, and membership balance plan. Following this review, the USD(P&R) discusses his or her potential nominees with the Secretary of Defense or the Deputy Secretary of Defense and requests authority to proceed with the nominations.

Membership Balance Plan
Department of Defense Board of Actuaries

Following the Secretary of Defense or the Deputy Secretary of Defense authorization and the USD(P&R)'s subsequent administrative certification of the appointment, the candidates are required to complete the necessary appointment paperwork, to include meeting the appropriate ethics requirements stipulated by the Office of Government Ethics for advisory committee members.

Board members will be appointed for a 15-year term of service, except that a Board member appointed to fill a vacancy occurring before the end of the term for which the member's predecessor was appointed shall only serve until the end of such term. A Board member may serve after the end of the member's term until a successor has taken the oath of office. No member, unless authorized by the Secretary of Defense, may serve on more than two DoD federal advisory committees at one time.

Membership vacancies for the Board will be filled in the same manner as described in the previous six paragraphs above.

6. Subcommittee Balance: The DoD has determined that subcommittees will not be authorized for this Board.
7. Other: As nominees are considered for appointment to the Board, the DoD adheres to the Office of Management and Budget's Revised Guidance on Appointment of Lobbyists to Federal Advisory Committees, Boards, and Commissions (79 FR 47482; August 13, 2014) and the rules and regulations issued by the Office of Government Ethics.
8. Date Prepared/Updated: